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SUBJECT: U.S.-LITHUANIA BILATERAL WORKING GROUP DISCUSSES
AIR POLICING, AFGHANISTAN, DEFENSE REFORMS

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¶1. (SBU) Summary: During the annual Bilateral Working Group (BWG) meetings between the USG and Lithuania, Latvia and Estonia in Vilnius July 12-13, all three Baltic delegations carried a unified message on Baltic cooperation and Baltic air policing. In both the multilateral and bilateral fora, Lithuanian Ministry of Defense officials expressed broad support for U.S. positions on the transformation of NATO and outlined their plans for defense reforms tracking with NATO's priorities. Lithuanian officials discussed the maintenance of their missions in Afghanistan and Iraq and addressed the Lithuanian Defense Ministry's efforts to engage Lithuania's "neighborhood" countries, particularly non-NATO countries in the former Soviet space. End Summary.

Baltics bring unified message on air policing

¶2. (SBU) During the multilateral session, the Lithuanian, Latvian and Estonian delegations presented a unified message on air policing of the Baltic republics. Currently, NATO provides full-time airspace coverage for Lithuania, Latvia, and Estonia through the rotational deployment of interceptor aircraft to Zokniai Airbase near Siauliai, Lithuania. The three delegations met the day before, July 11, to discuss a common approach and timeline for an exit strategy for NATO air policing in light of the uncertainty of the NATO Baltic Air Policing mission after 2007. Lithuania is looking at possibilities for working with Latvia and Estonia in the interim period until the armed forces will be able to provide their own air defense coverage (ref A).

Baltic cooperation: the way ahead

¶3. (SBU) The coordination of the three Baltic delegations on July 11, the night before the BWG, was an encouraging sign that the governments involved understand the benefits of working together and forming, when possible, common positionsMQeWQorts MAP for Ukraine even if Yanukovich becomes PM, Latvia no). Nonetheless, their approach was clearly coordinated and the sides seemed well aware of where their differences and common interests lie.

¶4. (SBU) The three states presented concrete success stories of their cooperation. The Baltic Defense College (BDC) continues to thrive and was accredited by the United States as an intermediate professional military education institution (a notable result of the 2005 BWG). There has been some progress in common procurement and SOF cooperation,

such as the Shamrock Key military exercise in April 2006. The Annual Baltic Conference on Defense (ABCD) has become a useful gathering and exchange of information, they said, and will convene again in September. Lithuania mentioned the Baltic initiative to create a Junior Naval Staff Officer Course and asked for U.S. assistance to provide specialists and instructors.

NATO-EU relations -- more complicated for smaller states

¶5. (SBU) The Baltic delegations all claimed that NATO and the EU are seemingly competing for the same defense resources, which negatively affects modernization and transformation efforts of small nations that are members of both organizations. The U.S. delegation encouraged the Baltic states to cooperate to push hard for NATO-EU harmonization during the upcoming Finnish EU Presidency.

Lithuania supports MAP for Ukraine, ID for Georgia

¶6. (SBU) As on all NATO transformation issues, Lithuania reiterated its strong support for NATO expansion. Lithuania argued specifically that Ukraine should be given a Membership Action Plan if it shows the slightest progress. The Lithuanian head of delegation called for some sort of statement of support for Ukraine and Georgia at the Riga summit if NATO cannot reach consensus on an Intensified

Dialogue for Georgia and a MAP for Ukraine. Lithuania also said that the USG and other allies should work to convince remaining NATO skeptics about the benefits of enlargement.

Political support on METI, Global Partnerships

¶7. (SBU) On the Middle East Training Initiative, Lithuania offered its political support in principle, but was not interested in direct participation. On Global partnerships, the Lithuanian delegation agreed with those from Latvia and Estonia that partnerships should be offered only to democratic countries, rather than to any country that can provide contingency forces.

Lithuania considering NRF participation, airlift initiative

¶8. (SBU) Lithuania remained forward looking on NATO operational initiatives and showed a willingness to work with its Baltic neighbors in these respects. Lithuania expressed interest in working with the Danes and the other three Baltics in NATO Response Force 14.

¶9. (SBU) Lithuania announced that it will soon meet to consider the Strategic Airlift initiative, a proposal to pool small countries to "buy" flight hours in a small fleet of C-17 aircraft. Saulius Gasiunas, Director of the Defense Ministry's NATO/EU Department, expressed support for this on political more than practical grounds, adding that commonly owned NATO resources make allies more interdependent on each other. Practically, he said that Lithuania is in a different position than its neighbors because it occasionally needs C-17s to transport supplies and equipment to Afghanistan.

¶10. (SBU) Lithuania supports developing NATO's Special Operations Forces (SOF) capabilities, either by establishing common standards, training, and doctrine for NATO SOF or by creating a standing SOF headquarters. Gasiunas stated that Lithuania's Defense Minister Qm.3v-

¶11. (SBU) Lithuania noted that NATO's common funding program presents many requirements and few resources for the Baltic states. They argued that common funds were too often used

politically. Gasiunas observed that there seems to be a double standard for NATO common funding. As an example, he mentioned that Poland is using common funding for radars while Lithuania has to use national funds for its radar upgrades. Without addressing the Polish example, the USG reinforced Lithuania's understanding that common funding is not a panacea for limited resources, and that nations need to first reach the NATO floor of two percent defense spending as a function of GDP before looking to NATO for funds.

Lithuania outlines defense reforms to meet NATO goals

¶12. (SBU) Lithuania presented its long-term defense development plan. This presentation outlined the transition from territorial defense to collective security and highlighted development milestones for the armed forces until 2014. Defense Ministry officials outlined three budgetary guidelines: personnel costs should be below 50% of the total defense budget; operational deployment costs should be below 10% of the budget; and procurement costs should exceed 25% of the budget. Lithuania anticipates that Provincial Reconstruction Team costs are likely to put operational deployment costs well over 10%, which is likely to strain its procurement goals. Lithuania's stated operational goals are to be able to generate one deployable and sustainable battalion task group ready by 2014, expanded SOF capabilities, and combat support and combat service support capabilities.

¶13. (SBU) Lithuania reiterated that its number-one military priority was the maintenance of the Provincial Reconstruction Team in Afghanistan. Ministry of Defense officials spoke positively about operations in Afghanistan, emphasizing the stable security environment and Lithuania's efforts to support security sector reforms. The Lithuanians sought

advice and assistance from the USG in determining expected costs to inform their decisions on how best logistically to support the PRT. Ministry of Defense officials are considering the continuation of the current contractor, Kellogg, Brown and Root, or the use of another (perhaps Lithuanian) military logistics contractor. The U.S. delegation counseled the Lithuanians to make a decision quickly and initiate necessary contracting procedures before U.S. funding ends at the end of 2006. The Lithuanian delegation also requested the return of U.S. police mentors to the PRT's civilian component who had been working with the PRT until February 2006 (Ref B).

Lithuania links neighborhood policy to Defense

¶14. (SBU) Lithuania included agenda HQ\Q?Zo;mdls while abstaining from high-level contacts. Consistent with the approach of other ministries, Lithuania's Defense Ministry feels that an isolation policy is not effective when dealing with its neighbor. Vilnius would like to see more, at least low-level, NATO interaction with Belarus. The head of the MOD's International Relations Department, Alvydas Kunigelis, reported that Minsk has identified 15 officers who could participate in Peace Support Operations.

¶15. (SBU) Because the U.S. side felt that coQF([`Q+\$eS. delegation offered to arrange a State Department briefing for Ministry officials in the future.

COMMENT

¶16. (SBU) The willingness of Lithuania, Latvia, and Estonia to coordinate on points of common interest set the tone for this year's Bilateral Working Group, demonstrating that the Baltic states are capable of rising above their sibling rivalries to work together when it is clearly in their mutual

interest. Nonetheless, some differences remain, particularly with regard to combined efforts for operational deployments. From this end, we will encourage them to continue such coordination, which could make them a more effective force within NATO and EU structures, where they generally support U.S. positions.

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